

Brett Williams
Ryan Sullivan

Senate Committee on Health Policy

Testimony on SB 324

Michigan Consumers for Healthcare

May 16, 2013

Good afternoon Chairman Marleau and distinguished members of this committee. Thank you for allowing me to testify before you today regarding Senate Bill 324

Michigan Consumers for Healthcare, the state's largest consumer advocacy organization working towards ensuring the people of Michigan have access to quality and affordable healthcare, currently, has over 230 member organizations representing several million Michigan's citizens; collectively we have strong concerns regarding SB324 as presented before this committee.

We applaud the willingness of this legislature to host conversations that tries to ensure the consumers of Michigan who will be in purchasing health insurance products through the Federal Marketplace are guided through this process with highly trained personnel. This bill as presented is counterproductive and burdensome to this goal as well as possibly being statutorily prohibited by federal law.

As prescribed in this legislation, it is to our concern that any person acting as a navigator will be required to be licensed and act under the same constraints, regulations and laws as that of an insurance producer i.e. agent or broker. To quote page 4, line 2 "License" means a document issued by the Director authorizing a person to act as an **insurance producer or Navigator** for the qualifications specified in this document." These types of regulations are addressed in the Patient Protection Affordable Care Act (ACA) as well as by the Department of Health and Human Services. Under a final ruling published in the Federal Register Vol. 77, No. 59, March of 2012, it states that "states and Exchanges should not be able to stipulate that Navigators hold an agent or broker license, and we clarify that States or Exchanges are prohibited from adopting such a standard including errors and omissions coverage."

Understanding the roles Navigators will be playing in an exchange is critical. Navigators **will not** be representing, selling, advising people to purchase or steer people to any insurance products offered in the Marketplace. Further, federal law prohibits navigators to be compensated by any insurer. It is important to note that neither Navigators nor agents/brokers will be making determinations on eligibility or directly enrolling customers into a Qualified Health Plan (QHP). The Marketplace will determine eligibility and transfer information to QHP's to enable enrollment.

example 1 - 10/1/17
previous 10/1/17

In order to ensure that the citizens of Michigan have an unparalleled experience in the Federal Marketplace, a standardized set of training requirements must be met. HHS has issued final rulings that stipulate these requirements as well as establishing stringent conflict of interest requirements for all persons and entities acting as Navigators within the Marketplace. Being that Michigan will fall within the confinements of a Federally Facilitated Marketplace, we feel that the standards for training will not only be sufficient but will prevent undue barriers for those entities wishing to participate as Navigators. It is required that all Navigators and non-Navigators assistance personnel acting within the federal exchange- Marketplace must:

- Register with the Exchange
- Be certified by the Exchange
- Prior to certification, complete an HHS approved training requirements
- Must have a passing grade in all required training courses
- Receive continuing education, certification and or recertification on an annual basis
- Able to serve customers in both the individual and SHOP marketplaces in a Federally Facilitated Marketplace, which Michigan has elected to incorporate

These certifications and requirements established within the ACA, warrants against misconduct, exemplifies education and provides the resources for an unmatched Marketplace experience for this state. This is the goal of consumers as well as legislators alike. Creating additional cost of state regulated fees for licensure and background checks may create addition barriers for those organizations wishing to participate as Navigators.

Navigators are being funded with very limited resources through a grant process. Many populations that will be served by Navigators are not traditionally served by agents or brokers. Adding additional cost to these organizations could potentially preclude many of them from becoming actively involved in the navigation process; limiting enrollment in hard to reach rural populations..

Many lawmakers look to other states for guidance as to how to creatively find solutions to issues facing this state. In comparing this piece of legislation to others, as written it is leaps and bounds more intrusive and statutorily onerous than any other state. We support regulations that would ensure strong consumer protections and expedite a positive experience in the Marketplace. However, creating larger and broader overreach within our state government is not an appropriate way when suitable guidelines are already in place.

We look forward to working with Michigan lawmakers to find common ground in ensuring consumers in Michigan have strong protections as outlined in federal statutes and state officials know they are looking out for their constituent's best interest by not creating hurdles to acquiring quality and affordable health insurance through the Marketplace.